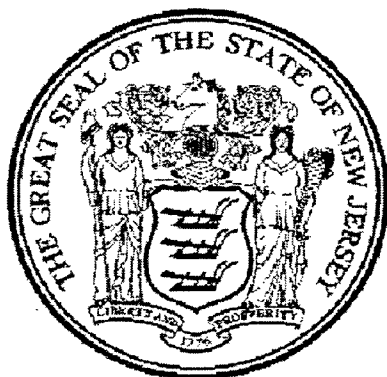


QUARTERLY REPORT

LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

FOR THE QUARTER ENDED JUNE 30, 2001

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



BALANCE SHEETS

AS OF JUNE 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 14,747	\$ 10,796
2	Marketable securities (Short Tm. money market at cost).....NOTE 3.....	4,203	3,166
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2001, \$4,912; 2000,\$2,440).....NOTE 4.....	6,312	9,580
4	Inventories.....	1,729	2,272
5	Prepaid Expenses and Other Current Assets.....NOTE 5.....	5,304	3,528
6	Total Current Assets.....	32,295	29,342
7	Investments, Advances, and Receivables.....NOTE 2 & 6.....	19,513	17,677
8	Property and Equipment - Gross.....NOTE 2 & 7.....	115,935	291,408
9	Less: Accumulated Depreciation and Amortization.....	(1,038)	(34,754)
10	Property & Equipment - Net.....	114,897	256,654
11	Other Assets.....NOTE 8.....	7,000	101,963
12	Total Assets.....	\$ 173,705	\$ 405,636
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$ 5,932	\$ 3,129
14	Notes Payable.....	-	-
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....NOTE 11.....	9,233	-
16	Other.....	-	1,381
17	Income Taxes Payable and Accrued.....	137	-
18	Other Accrued Expenses.....NOTE 9.....	20,142	14,221
19	Other Current Liabilities.....NOTE 10.....	4,123	13,994
20	Total Current Liabilities.....	39,567	32,725
	Long-Term Debt:		
21	Due to Affiliates.....NOTE 11.....	89,500	199,298
22	Other.....	-	73,000
23	Deferred Credits.....	-	35,457
24	Other Liabilities.....	-	-
25	Commitments and Contingencies.....NOTE 14.....	-	-
26	Total Liabilities.....	129,067	340,480
27	Stockholders', Partners', or Proprietor's Equity.....	44,638	65,156
28	Total Liabilities and Stockholders' Equity.....	\$ 173,705	\$ 405,636

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: RESORTS ATLANTIC CITY

Amended

8/16/01

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	Revenue:		
1	Casino.....	\$ 109,554	\$ 108,756 *
2	Rooms.....	6,656	8,115
3	Food and Beverage.....	11,760	12,898
4	Other.....	2,832	2,186
5	Total Revenue.....	130,802	131,955
6	Less: Promotional Allowances.....	12,846	13,451
7	Net Revenue.....	117,956	118,504
	Costs and Expenses:		
8	Cost of Goods and Services.....	72,457	76,861 *
9	Selling, General, and Administrative.....	30,739	31,369 *
10	Provision for Doubtful Accounts.....	659	412
11	Total Costs and Expenses.....	103,855	108,642
12	Gross Operating Profit.....	14,101	9,862
13	Depreciation and Amortization.....	6,457	8,788
	Charges from Affiliates Other than Interest:		
14	Management Fees..... NOTE 12.....	-	4,102
15	Other.....	-	188
16	Income (Loss) from Operations.....	7,644	(3,216)
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... NOTE 12.....	(7,441)	(9,037)
18	Interest (Expense) - External.....	(1,770)	(2,888)
	Investment Alternative Tax and Related Expense,		
19	Net of Amortization of \$9 and \$8 Respectively.....	(460)	(460)
20	Nonoperating Income (Expense) - net..... NOTE 13.....	609	856
21	Total Other Income (Expenses).....	(9,062)	(11,529)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(1,418)	(14,745)
23	Provision (Credit) for Income Taxes.....	1,337	-
24	Income (Loss) Before Extraordinary Items.....	(2,755)	(14,745)
25	Extraordinary Items.....	-	-
26	Net Income (Loss).....	\$ (2,755)	\$ (14,745)

*Lines have been restated to conform with current year presentation

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: RESORTS ATLANTIC CITY

Amended

8/16/01

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	Revenue:		
1	Casino.....	\$ 57,500	\$ 59,194 *
2	Rooms.....	3,573	4,564
3	Food and beverage.....	6,374	6,932
4	Other.....	1,725	1,195
5	Total revenue.....	69,172	71,885
6	Less: Promotional Allowances.....	6,795	7,301
7	Net Revenue.....	62,377	64,584
	Costs and Expenses:		
8	Cost of Goods and Services.....	36,276	38,283 *
9	Selling, General, and Administrative.....	16,351	17,916 *
10	Provision for Doubtful Accounts.....	213	131
11	Total Costs and Expenses.....	52,840	56,330
12	Gross Operating Profit.....	9,537	8,254
13	Depreciation and Amortization.....	2,171	4,331
	Charges From Affiliates Other than Interest:		
14	Management Fees.....	-	2,243
15	Other.....	-	94
16	Income (Loss) from Operations.....	7,366	1,586
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....	(2,921)	(4,519)
18	Interest (Expense) - External.....	(341)	(1,451)
	Investment Alternative Tax and Related Expense,		
19	Net of Amortization of \$5 and \$4 respectively.....	(234)	(246)
20	Nonoperating Income (Expense) - Net.....	222	497
21	Total Other Income (Expenses).....	(3,274)	(5,719)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	4,092	(4,133)
23	Provision (Credit) for Income Taxes.....	1,337	-
24	Income (Loss) Before Extraordinary Items.....	2,755	(4,133)
25	Extraordinary Items.....	-	-
26	Net Income (Loss).....	\$ 2,755	\$ (4,133)

*Lines have been restated to conform with current year presentation

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: RESORTS ATLANTIC CITY

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2000
AND THE SIX MONTHS ENDED JUNE 30, 2001

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1999.....	1,000,000	\$ 1,000		\$	\$ 123,660		\$ (44,759)	\$ 79,901
2	Net Income (Loss) - 2000.....							(22,406)	(22,406)
3	Contribution to Paid-in-Capital.....								
4	Dividends.....								
5	Prior Period Adjustments.....								
6									-
7									
8									
9									
10	Balance, December 31, 2000.....	1,000,000	1,000			123,660		(67,165)	57,495
11	Net Income (Loss) - 2001.....							(2,755)	(2,755)
12	Contribution to Paid-in -Capital.....								-
13	Dividends.....								-
14	Prior Period Adjustments.....								-
15	Adjustment Due to Purchase Of Company					(82,160)		72,058	(10,102)
16									-
17									-
18									-
19	Balance, June 30, 2001.....	1,000,000	\$ 1,000		\$	\$ 41,500	\$	\$ 2,138	\$ 44,638

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2000
AND THE SIX MONTHS ENDED JUNE 30, 2001

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 1999.....	\$	\$	\$	\$
2	Net Income (Loss) - 2000.....				
3	Capital Contributions.....				
4	Capital Withdrawals.....				
5	Partnership Distributions.....				
6	Prior Period Adjustments.....				
7				
8				
9				
10	Balance, December 31, 2000.....				
11	Net Income (Loss) - 2001.....				
12	Capital Contributions.....				
13	Capital Withdrawals.....				
14	Partnership Distributions.....				
15	Prior Period Adjustments.....				
16				
17				
18				
19	Balance, June 30, 2001.....	\$	\$	\$	\$

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
1	Net Cash Provided (Used) by Operating Activities.....	\$ 11,041	\$ (12,017)
	Cash Flows From Investing Activities:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(4,056)	(4,067)
5	Proceeds from Disposition of Property and Equipment.....	-	-
6	Purchase of Casino Reinvestment Obligations.....	(1,332)	(1,294)
7	Purchase of Other Investments and Loans/Advances made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10	-	-
11	-	-
12	Net Cash Provided (Used) By Investing Activities.....	(5,388)	(5,361)
	Cash Flows From Financing Activities:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	(3,348)	(1,092)
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	-
16	Costs of Issuing Debt.....	(6,808)	-
17	Payments to Settle Long-Term Debt.....	-	-
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	42,500	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21	Payments for Recapitalization Costs.....	(142,000)	-
22	Advances from (Repayment to) Parent Company and Affiliates.....	101,500	17,891
23	Net Cash Provided (Used) By Financing Activities.....	(8,156)	16,799
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(2,503)	(579)
25	Cash and Cash Equivalents at Beginning of Period.....	21,453	14,541
26	Cash and Cash Equivalents at End of Period.....	\$ 18,950	\$ 13,962
	Cash Paid During Period For:		
27	Interest (Net of Amount Capitalized).....	\$ 7,920	\$ 12,386
28	Income Taxes.....	\$ 1,200	\$ -

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	Net Cash Flows From Operating Activities:		
29	Net Income	\$ (2,755)	\$ (14,745)
	Noncash Items Included in Income and Cash Items		
	Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	5,240	7,208
31	Amortization of Other Assets.....	1,217	1,580
32	Amortization of Debt Discount or Premium.....	25	36
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	-	-
36	(Gain) Loss on Casino Reinvestment Obligations.....	460	460
37	(Gain) Loss from Other Investment Activities.....		
	Net (Increase) Decrease in Receivables and Patrons'.....		
38	Checks	916	(3,060)
39	Net (Increase) Decrease in Inventories.....	(260)	219
40	Net Decrease (Increase) in Other Current Assets.....	(3,370)	(1,511)
41	Net Decrease (Increase) in Other Assets.....	(44)	(449)
42	Net Increase (Decrease) in Accounts Payable.....	1,783	(1,499)
	Net (Decrease) Increase in Other Current Liabilities		
43	Excluding Debt.....	7,829	(256)
	Net Decrease in Other Noncurrent Liabilities		
44	Excluding Debt.....	-	-
45	Recapitalization Costs.....	-	-
46	Write-Off of Goodwill.....		
47	Net Cash Provided (Used) By Operating Activities.....	\$ 11,041	\$ (12,017)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment.....	\$ (4,056)	\$ (5,484)
49	Less: Capital Lease Obligations incurred.....	-	(1,417)
50	Cash Outflows for Property and Equipment.....	\$ (4,056)	\$ (4,067)
	Acquisition of Business Entities:		
51	Property and Equipment Acquired.....	\$	\$
52	Goodwill Acquired.....		
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....		
54	Long-Term Debt Assumed.....		
55	Issuance of Stock or Capital Invested.....		
56	Cash Outflows to Acquire Business Entities.....	\$ -	\$ -
	Stock Issued or Capital Contributions:		
57	Total Issuances of Stock or Capital Contributions.....	\$ 42,500	\$
58	Less: Issuances to Settle Long-Term Debt.....		
59	Consideration in Acquisition of Business Entities.....		
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 42,500	\$ -

RESORTS INTERNATIONAL HOTEL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – MERGER AND BASIS OF ACCOUNTING

Basis of Presentation - Colony RIH Holdings, Inc., a Delaware Corporation ("CRH") owns 100% of the outstanding common stock of Colony RIH Acquisitions, Inc. ("CRA"). CRA, through its wholly owned subsidiary Resorts International Hotel, Inc., a New Jersey Corporation ("RIH"), owns and operates Resorts Atlantic City, a casino/hotel located in Atlantic City, NJ.

CRA, Sun International North America, Inc., a Delaware corporation ("SINA"), and GGRI, Inc., a Delaware corporation ("GGRI"), entered into a purchase agreement, dated as of October 30, 2000, as amended (the "Purchase Agreement"). Pursuant to the Purchase Agreement, CRA acquired all of the capital stock, the Warehouse Assets (as defined in the Purchase Agreement) and all of the capital stock of New Pier Operating Company, Inc., a New Jersey corporation (collectively, the "Acquisition") on April 25, 2001.

The Acquisition has been accounted for using the purchase method, and accordingly, the aggregate purchase price, including transaction fees and expenses, has been allocated based on the preliminary estimated fair value of the assets acquired and liabilities assumed. As a result, the condensed consolidated financial statements for the period subsequent to the Acquisition are presented on a different basis of accounting than those for the periods prior to the Acquisition and, therefore, are not directly comparable.

In the first quarter of 2001, the Emerging Issues Task Force ("EITF") reached a consensus on certain issues in EITF 00-22, "Accounting for "Points" and Certain Other Time-Based Sales Incentive Offers, and Offers for Free Products or Services to be Delivered in the Future." EITF 00-22 requires that volume based cash rebates or refunds be shown as a reduction of revenues effective for quarters ending after February 15, 2001. RIH adopted the consensus provisions of EITF 00-22 in the first quarter of 2001. To be consistent with the 2001 presentation, cash rebates and refunds, previously shown as casino expenses, were reclassified as a reduction of casino revenues in the six months ended June 30, 2000. This did not have any effect on previously reported operating income or net income.

Certain reclassifications have been made to RIH's historical information for the six months ended June 30, 2000 to conform to the current year presentation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue Recognition

RIH records as revenue the win from gaming activities, which represents the difference between amounts, wagered and amounts won by patrons, reduced by cash rebates and refunds. Revenues from hotel and related services and from theater ticket sales are recognized at the time the related service is performed.

Cash Equivalents

RIH considers all of its short-term money market securities purchased with original maturities of three months or less to be cash equivalents. The carrying value of cash equivalents approximates fair value due to the short-term maturity of these instruments.

Inventories

Inventories of provisions, supplies and spare parts are carried at the lower of cost (first in, first out) or market.

Property and Equipment

For the periods presented herein, property and equipment have been depreciated over their estimated useful lives reported below using the straight-line method for financial reporting purposes.

Land improvements	14 years
Building and building improvements	40 years
Furniture, fixtures and equipment	2 - 5 years

Casino Reinvestment Development Authority ("CRDA") Obligations

Under the New Jersey Casino Control Act ("Casino Control Act"), RIH is obligated to purchase CRDA bonds, which will bear a below-market interest rate, or make an alternative qualifying investment. RIH charges to expense an estimated discount related to CRDA investment obligations as of the date the obligation arises based on fair market interest rates of similar quality bonds in existence as of that date. On the date RIH actually purchases the CRDA bond, the estimated discount previously recorded is adjusted to reflect the actual terms of the bonds issued and the then existing fair market interest rate for similar quality bonds.

The discount on CRDA bonds purchased is amortized to interest income over the life of the bonds using the effective interest rate method.

NOTE 3 - CASH EQUIVALENTS

RIH's cash equivalents at June 30, 2001 included reverse repurchase agreements (federal government securities purchased under agreements to resell those securities) of \$4.2 million, which matured during the first week of July 2001.

NOTE 4 - RECEIVABLES

Components of receivables at June 30 were as follows:

(In Thousands of Dollars)	2001	2000
Gaming	\$ 9,172	\$ 8,553
Less Allowance for doubtful accounts	<u>(4,806)</u>	<u>(2,428)</u>
	<u>4,366</u>	<u>6,125</u>
Non-Gaming		
Hotel and related	573	662
Other	<u>1,479</u>	<u>2,805</u>
	2,052	3,467
Less Allowance for doubtful accounts	<u>(106)</u>	<u>(12)</u>
	<u>1,946</u>	<u>3,455</u>
	<u>\$ 6,312</u>	<u>\$ 9,580</u>

NOTE 5 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Components of prepaid and other current assets at June 30 were as follows:

(In Thousands of Dollars)	2001	2000
Insurance	\$ 2,818	\$ 544
Slot license fees	1,221	1,140
Other	1,265	1,844
	<u>\$ 5,304</u>	<u>\$ 3,528</u>

NOTE 6 - INVESTMENTS, ADVANCES AND RECEIVABLES

Components of investments, advances and receivables at June 30 were as follows:

(In Thousands of Dollars)	2001	2000
CRDA bonds	\$ 10,032	\$ 9,814
CRDA deposits	20,721	18,305
Valuation allowance - CRDA bonds and deposits	<u>(11,240)</u>	<u>(10,442)</u>
	<u>\$ 19,513</u>	<u>\$ 17,677</u>

The Casino Control Act, as amended, requires a licensee to purchase bonds issued by the CRDA or make other investments authorized by the CRDA, in an amount equal to 1.25% of a licensee's gross gaming revenue, as defined.

The CRDA bonds have interest rates ranging from 3.5% to 7.0% and have repayment terms of between 20 and 50 years. RIH records charges to expense, to reflect the below-market interest rate payable on the bonds it may have to purchase, to fulfill its investment obligation at the date the obligation arises. The charges in 2001 and 2000 for discounts on obligations arising in those years were \$469,115 and \$468,922 respectively.

From time to time RIH has donated certain funds it has had on deposit with the CRDA in return for either relief from its obligation to purchase CRDA bonds or credits against future CRDA deposits.

NOTE 7 - PROPERTY AND EQUIPMENT

Components of property and equipment at June 30 were as follows:

(In Thousands of Dollars)	2001	2000
Land and land rights	\$ 36,886	\$ 83,147
Land improvements	15	1,023
Hotels and other buildings	70,120	167,211
Furniture, fixtures and equipment	7,626	39,090
Construction in progress	<u>1,288</u>	<u>937</u>
Property and equipment - gross	<u>115,935</u>	<u>291,408</u>
Accumulated depreciation and amortization	<u>(1,038)</u>	<u>(34,754)</u>
Property and equipment - net	<u>\$ 114,897</u>	<u>\$ 256,654</u>

NOTE 8 - OTHER ASSETS

Components of other assets at June 30 were as follows:

(In Thousands of Dollars)	2001	2000
Goodwill	\$ -	\$ 96,412
Debt issuance costs	6,605	4,949
Other	<u>395</u>	<u>602</u>
	<u>\$ 7,000</u>	<u>\$ 101,963</u>

NOTE 9 - OTHER ACCRUED LIABILITIES

Components of other accrued liabilities at June 30 were as follows:

(In Thousands of Dollars)	2001	2000
Payroll	\$ 8,669	\$ 7,091
Gaming taxes and fees	2,329	1,501
Insurance	1,756	1,204
Other	<u>7,388</u>	<u>4,425</u>
	<u>\$ 20,142</u>	<u>\$ 14,221</u>

NOTE 10 - OTHER CURRENT LIABILITIES

Components of other current liabilities at June 30 were as follows:

(In Thousands of Dollars)	2001	2000
Interest payable	\$ 752	\$ 5,300
CRDA bond obligation	769	776
Due to affiliates	-	5,158
Other	2,602	2,760
	<u>\$ 4,123</u>	<u>\$ 13,994</u>

NOTE 11 - NOTES PAYABLE TO AFFILIATE

The components of notes payable to affiliate at June 30 were as follows:

Term Loan A, due 2005	\$ 23,333	\$ -
Term Loan B, due 2007	54,900	-
Revolving Credit, due 2006	3,000	-
12.5% Seller Note, due 2008	17,500	-
9% Senior Notes, due 2007	-	200,000
Unamortized discount	-	(702)
	<u>98,733</u>	<u>199,298</u>
Less: Current Portion	<u>(9,233)</u>	<u>-</u>
	<u>\$ 89,500</u>	<u>\$ 199,298</u>

Notes Payable to Affiliates - In conjunction with the Acquisition, CRA borrowed \$82 million under an Amended and Restated Credit Agreement, dated April 25, 2001, from the lenders named therein (the "Credit Facility"). The Credit Facility is comprised of \$80 million in term loans (Term Loan A for \$25 million and Term Loan B for \$55 million) and a \$10 million revolving credit facility. The loans under the Credit Facility are secured by substantially all of CRH's, CRA's and, directly or indirectly, RIH's assets, including a pledge of all of the capital stock of CRA and RIH, mortgages on all material real property owned or leased by CRA or RIH and the accounts receivable, inventory, equipment and intangibles of CRA or RIH. The revolving credit facility will mature on April 25, 2006, Term Loan A will mature on the last business day of December 2005, and Term Loan B will mature on the last business day of March 2007. The principal payments of the term loans are paid on a quarterly basis, commencing June 29, 2001. Interest on borrowings outstanding shall be either at LIBOR or an alternative base rate, in each case plus an applicable margin. In the future the applicable margins may be changed, based on CRA's leverage ratio as defined in the credit agreement.

Seller Note - In conjunction with the acquisition, CRH issued a \$17.5 million note to SINA (the "Seller Note"). The Seller Note is subordinated to the term loans under the Credit Facility and has a 7-year term. This loan bears interest at 12.5% per annum of which 6.25% is payable in cash and 6.25% is paid in kind. There is no amortization of principal on this loan. Principal is due in full on April 25, 2008.

The Credit Facility contains a number of covenants, that among other things, restricts the ability of CRH, CRA, and their subsidiaries, to incur additional indebtedness, create liens on assets, dispose of assets, make investments, loans, or advances, engage in mergers or consolidations, pay dividends, engage in certain transactions with affiliates, change their respective line of business and otherwise restrict certain corporate activities. In addition, under the Credit Facility, CRA, and its subsidiaries, are required to maintain specified financial ratios, satisfy specified financial tests, including interest coverage

and leverage tests, and are limited on capital expenditures. The Credit Facility contains events of default customary for facilities of this nature.

NOTE 12 - RELATED PARTY TRANSACTIONS

RIH recorded the following income and expenses from affiliates:

<u>(In Thousands of Dollars)</u>	<u>2001</u>	<u>2000</u>
Interest and amortization of discounts on notes payable to Colony RIH Acquisitions, Inc. (net of capitalized interest)	\$ 1,716	\$ -
Interest and amortization of discounts on notes payable to SINA (net of capitalized interest)	<u>5,725</u>	<u>9,037</u>
Interest expense - affiliates	7,441	9,037
Management fees	<u>-</u>	<u>4,102</u>
	-	4,102
Amortization of debt issuance costs	381	259
Property rentals to SINA	-	162
Other charges from affiliates	<u>-</u>	<u>25</u>
	-	187
Total related party transactions	<u>\$ 7,822</u>	<u>\$ 13,585</u>

SINA charged RIH the parent services fee of three percent of gross revenues for administrative and other services. As of October 2000, this charge was discontinued in accordance with the Purchase Agreement.

NOTE 13 - NON-OPERATING INCOME, NET

Non-operating income, for the six months ended June 30, consisted of interest income of \$695,000 and \$870,000 for the year 2001 and 2000, and other non-operating expenses of \$86,000 and \$14,000 for the year 2001 and 2000, respectively.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

RIH is a defendant in certain litigation. In the opinion of management, based upon advice of counsel, the aggregate liability, if any, arising from such litigation will not have a material adverse effect on the accompanying financial statements.

TRADING NAME OF LICENSEE: RESORTS ATLANTIC CITY

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

Amended

5/1/02

FOR THE SIX MONTHS ENDED JUNE 30, 2001


Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (in thousands) (d)	Number of Recipients (e)	Dollar Amount (in thousands) (f)
1	Rooms	69,848	\$ 4,889	154	\$ 18
2	Food	418,684	5,916	358	15
3	Beverage	221,960	1,221	55	9
4	Travel			22,921	1,719
5	Bus Program Cash			369,414	6,649
6	Other Cash Complimentaries			231,092	9,005
7	Entertainment	16,922	761	845	141
8	Retail & Non-Cash Gifts			1,931	251
9	Parking				
10	Other	989	59	48,236	627
11	Total	728,403	\$ 12,846	675,006	\$ 18,434

FOR THE THREE MONTHS ENDED JUNE 30, 2001

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	38,257	\$ 2,520	52	\$ 4
2	Food	299,206	3,167	241	9
3	Beverage	101,193	617	51	8
4	Travel			15,860	929
5	Bus Program Cash			192,850	3,471
6	Other Cash Complimentaries			122,061	4,677
7	Entertainment	8,398	463	529	111
8	Retail & Non-Cash Gifts			653	85
9	Parking				
10	Other	432	28	17,962	323
11	Total	447,486	6,795	350,259	\$ 9,617

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during this year.



Signature

Vice President - Financial Administration
& Chief Information Officer

Title

4514-11

License Number

On Behalf Of:

RESORTS ATLANTIC CITY

Casino Licensee